

441—185.126(234) Calculation of overpayments. Overpayment amounts shall be calculated by multiplying the unit rate by the number of units of the service for which the provider received payment in error.

185.126(1) Random sampling and extrapolation. When random sampling and extrapolation are used, the overpayment shall be calculated in accordance with paragraph 185.13(2)“e.”

185.126(2) Special provisions for group care. The procedures in this subrule shall be applied to any billing audits initiated on or after December 1, 2003.

a. Determining the amount of overpayment for each child. When the department identifies an overpayment in a community, comprehensive, or enhanced group care service as a result of a provider's failure to meet the requirements for group care therapy and counseling established in subrule 185.83(5) or failure to meet the requirements for group care skill development as established in subrule 185.83(1), 185.83(2), or 185.83(3), the amount of overpayment for that service for a child during a calendar month shall be calculated as follows:

(1) Multiply the number of days for which the skill development requirement for the client was not met (deficient skill development days) by the unit rate. This is the skill development overpayment amount.

(2) Subtract the number of deficient skill development days from the number of days for which the provider received payment. The number of days remaining, if any, shall be used to determine the number of hours of acceptable therapy and counseling required pursuant to subrule 185.83(5). Any acceptable therapy and counseling provided during deficient skill development days shall be counted toward the therapy and counseling minimum requirement.

(3) Determine whether the amount of acceptable therapy and counseling provided and documented for the client during the calendar month is less than the number of hours of therapy and counseling required for the number of days of group care paid for during the calendar month that remains after adjusting for skill development deficiencies. If so, subtract the amount of acceptable therapy and counseling provided and documented for the client during the calendar month from the number of hours of therapy and counseling required for the remaining number of days of group care paid for the client during the calendar month. Divide this remainder by the required number of hours of therapy and counseling for the remaining number of days of group care paid for the client during the calendar month. The result of this division, expressed as a percentage, is the therapy and counseling deficiency percentage.

(4) Subtract the skill development overpayment amount from the total payment for this service code for this child for this month.

(5) Multiply the remaining payment, if any, by the therapy and counseling deficiency percentage. The result is the therapy and counseling overpayment amount.

(6) Add the skill development overpayment amount to the therapy and counseling overpayment amount. The result is the total overpayment amount for the child for the service code for the calendar month.

b. Determining the total overpayment amount. Add the overpayment amounts for all clients for the service code for each calendar month together to determine the total overpayment amount.

(1) If extrapolation is not used, this amount is the total overpayment amount.

(2) If random sampling and extrapolation are used, then this amount is used to calculate the sample error payment rate in accordance with subparagraph 185.13(2)“e”(3). The sample error payment rate is then used to calculate the extrapolated overpayment.

c. Examples. The examples set forth below are designed to address only the overpayment calculation with respect to per diem service, and do not address overpayment calculations with respect to per diem maintenance, additional services or optional service. The following examples illustrate the calculation of the overpayment amount for per diem service on rehabilitative and supportive services group foster care audits:

EXAMPLE 1. The provider furnishes comprehensive residential treatment to Child A for the month of July. Child A was discharged on July 27, so the provider may bill for only 26 days of service for July.

The provider has mistakenly billed for 31 days of service for July. The provider has billed a per diem rate of \$90 for each day of service, representing a total billing for July of \$2,790 ($\90×31).

Upon audit, it is determined that the provider has properly documented skill development services for each of the days the child was present in the facility and has furnished five hours of therapy and counseling to Child A during July. The overpayment calculation with respect to Child A is as follows:

The erroneous billing for five days of service during the month results in an audit adjustment of \$450 ($\90×5). The requirement for therapy and counseling for the number of days of service for which the provider may bill (26) is six hours, but only five hours of therapy and counseling were provided, resulting in an error rate of 16.67 percent ($((6 - 5) \div 6 = 16.67 \text{ percent})$).

This error rate is then multiplied by the difference between the total amount the provider billed for the month (\$2,790) less the overpayment for the erroneous billing (\$450). There is no audit adjustment for skill development since the required skill development was properly documented. Thus, the overpayment for therapy and counseling is \$390 ($(\$2,790 - \$450) \times 16.67 \text{ percent} = \390).

The total overpayment amount is \$840, the sum of the overpayment for the erroneous billing (\$450) and the overpayment for therapy and counseling (\$390).

EXAMPLE 2. The provider furnishes community residential group treatment to Child B for the month of August. A provider may bill for the day of admittance to the program if service provision requirements for that day are otherwise satisfied. Since Child B was admitted to the program on August 14, Child B was present in the program for 18 days during the month. The provider has billed a per diem rate of \$75 for each day of service, representing a total billing for August of \$1,350 ($\75×18).

Upon audit, it is determined that the provider failed to document the provision of skill development for two of the days during the service period during the month and that the provider has furnished 1.5 hours of therapy and counseling to Child B during August. The overpayment calculation with respect to Child B is as follows:

The failure to document the provision of skill development for two days of service during the month results in an audit adjustment for skill development of \$150 ($\75×2).

The requirement for therapy and counseling for the number of days of service for which the provider may bill (16) is two hours, but only 1.5 hours of therapy and counseling were provided, resulting in an error rate of 25 percent ($((2 - 1.5) \div 2 = 25 \text{ percent})$). This error rate is then multiplied by the difference between the total amount billed by the provider for the month (\$1,350) less the overpayment determined for skill development (\$150). Thus, the overpayment for therapy and counseling is \$300 ($(\$1,350 - \$150) \times 25 \text{ percent} = \300).

The total overpayment amount is \$450, the sum of the overpayment for skill development (\$150) and the overpayment for therapy and counseling (\$300).

EXAMPLE 3. The provider furnishes enhanced residential treatment to Child C for the month of September. Child C is present in the program from the beginning of the month until discharged from the program on September 16. Since a provider may not bill for the day of discharge, the provider bills for 15 days of service for the month. The provider has billed a per diem rate of \$100 for each day of service, representing a total billing for September of \$1,500 ($\100×15).

Upon audit, it is determined that the provider has documented the required skill development for the month and has furnished four hours of therapy and counseling to Child C during September. The overpayment calculation with respect to Child C is as follows:

There is no audit adjustment for skill development since the required skill development was properly documented.

The requirement for therapy and counseling for the number of days of service for which the provider may bill (15) is six hours, but only four hours of therapy and counseling were provided, resulting in an error rate of 33.33 percent ($((6 - 4) \div 6 = 33.33 \text{ percent})$). This error rate is then multiplied by the difference between the total amount the provider billed for the month (\$1,500) less the overpayment determined for skill development (\$0). Thus, the overpayment for therapy and counseling is \$500 ($(\$1,500 - \$0) \times 33.33 \text{ percent} = \500).

The total overpayment amount is \$500, the sum of the overpayment for skill development (\$0) and the overpayment for therapy and counseling (\$500).